

Good morning, my name is Marie Lenane and I am Purchase of Service Pricing Analyst at the Executive Office of Health and Human Services. I am here to present staff testimony on the proposed amendments to 101 CMR 431.00: Rates for Certain Respite Services, which governs the payment rates for certain respite services provided to publicly aided individuals by governmental units. These services are purchased by the Department of Mental Health. Respite services provide temporary, short-term, community-based clinical and rehabilitative services that enable an individual to live in the community as fully and independently as possible. Respite services are strength-based and person-centered in their approach to supporting persons being served to maintain, enter, or return to permanent living situations. Respite services are available in both site-based and mobile settings.

Amendments to this regulation are being proposed at this time in accordance with M.G.L. Chapter 118E, Section 13D, requires the Secretary of the Executive Office of Health and Human Services to establish by regulation rates of payment for social services that are reasonable and adequate to meet the costs incurred by efficient and economically operated social service providers.

The rates for certain respite services contained in 101 CMR 431.00 are being updated to include an increase by cost adjustment factor (or “CAF”) of 2%. The CAF was determined using baseline and prospective Massachusetts Economic Indicator data from IHS Economics – Fall 2020 Forecast, optimistic scenario data. The CAF reflects the period between the rates’ base period (2021 second quarter) and the prospective period (July 1, 2022, through June 30, 2023). A 0.37% Trust contribution, based on salaries, has been applied to all models to address the incurred costs of the Paid Family Medical Leave Act. As part of the workforce initiative, staff salaries, with the exception of the program management positions, have been benchmarked to the Massachusetts Bureau of

Labor Statistics median wages for 2017/2018. The management salaries have been benchmarked to the FY19 Uniform Financial Statements and Independent Auditor's Reports (or "UFRs") weighted average for management positions. The programmatic expenses have also been benchmarked to the FY19 UFRs weighted average for management positions. The tax and fringe rate has been benchmarked to 22.40% and the administrative allocation has been benchmarked to 12%. Finally, the separate workforce initiative rate has been removed for the regulation because the workforce initiative goal of the rate review has been met with the incorporation of the Bureau of Labor Statistics benchmarking into the rates.

The total projected annualized cost to state government from increase in rates effective July 1, 2021 is \$572,461, which represents an increase of 3.11% over FY20 spending of approximately \$18.4 million.

This concludes my testimony. Thank you.